



## HOUSING AND REDEVELOPMENT AUTHORITY AGENDA

Tuesday, July 15, 2014

6:50 p.m.

Coon Rapids City Center

Council Chambers

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### Call to Order

### Roll Call

### Approval of Minutes of Previous Meeting

### New Business

1. Consider Resolution HRA 14-1 authorizing the Executive Director to execute purchase agreements and execute all related instruments for up to two properties for the Scattered Site Acquisition Program.

### Other Business

### Adjourn



## **HRA Regular**

1.

**Meeting Date:** 07/15/2014

**Subject:** Cons. Resolution HRA 14-1, Property Acquisition for the Scattered Site Acquisition Program

**From:** Matt Brown, Community Development  
Specialist

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### **INTRODUCTION**

The HRA is asked to consider a resolution authorizing staff to acquire certain residential properties for the Scattered Site Acquisition program.

### **DISCUSSION**

For the last several years, the HRA has approved resolutions authorizing staff to acquire a certain number of properties for the Scattered Site Acquisition program, which involves purchasing and demolishing blighted or structurally substandard houses and replacing them with higher quality homes. The resolutions have enabled staff to acquire bank-owned properties in a timely manner through the First Look program. Because the HRA must react quickly when properties become available, there often is not sufficient time to have the HRA consider individual purchase agreements at scheduled meetings. Therefore, staff recommends that the HRA renew a resolution authorizing staff to negotiate purchases of up to two properties meeting certain criteria, including:

1. The purchase price of each property does not exceed \$100,000. In the past, this limit was \$70,000, but since prices have risen, staff recommends increasing it to \$100,000.
2. The properties are blighted and in substandard condition and the cost of correcting deficiencies exceeds the value of the property.
3. Prior to the acquisition of each property, staff will conduct appropriate due diligence to protect the HRA's interest.

In the last year, the HRA has acquired and demolished one property, 1607 103rd Avenue, through the Scattered Site program. It acquired a second property, 12019 Round Lake Boulevard, but the HRA formally considered the purchase agreement because the sale price exceeded \$70,000. Because the resolution authorizing acquisition of Scattered Site properties will expire on July 16, 2014, staff proposes that the HRA extend it for another year.

### **RECOMMENDATION**

Staff recommends that the HRA adopt Resolution HRA 14-1 authorizing the Executive Director to execute purchase agreements and execute all related instruments for up to two properties for the Scattered Site Acquisition Program.

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### **BUDGET IMPACT:**

Sufficient funds exist in the Scattered Site account for these potential expenditures.

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### **Attachments**

Resolution 14-1

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## **RESOLUTION HRA NO. 14-1**

### **RESOLUTION AUTHORIZING THE ACQUISITION OF CERTAIN PROPERTIES WITHIN THE CITY FOR THE SCATTERED SITE ACQUISITION PROGRAM AND AUTHORIZING THE EXECUTION OF DOCUMENTS RELATED THERETO**

**WHEREAS**, pursuant to Minnesota Statutes, Sections 469.001 to 469.047 (the “HRA Act”) the City Council of the City of Coon Rapids, Minnesota (the “City”) has created the Housing and Redevelopment Authority in and for the City of Coon Rapids (the “Authority”) and provided it with the duties and powers in the HRA Act; and

**WHEREAS**, the HRA Act authorizes the Authority to acquire, improve, own, hold, sell, lease, exchange, transfer, assign, pledge or dispose of any real or personal property; and

**WHEREAS**, the Authority has undertaken a multi-faceted program known as the Scattered Site Acquisition Program to purchase dilapidated and/or blighted properties that are best demolished and the land resold; and

**WHEREAS**, in order to maximize the effectiveness of the Scattered Site Acquisition Program the Authority wishes to directly purchase dilapidated and blighted properties in a timely manner and without specific Board approval of each individual transaction; and

**WHEREAS**, it is the desire of the Authority Board of Commissioners to establish certain parameters for such acquisitions and to authorize the Chair and Secretary of the Board to execute legal documents for property acquisition for properties that fall within those parameters.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing and Redevelopment Authority in and for the City of Coon Rapids, Minnesota:

1. That the Chair and Secretary, with the assistance of Authority legal counsel and Authority Staff, are hereby authorized to execute purchase agreements and acquire in the name of the Authority up to two single-family homes (the “Properties”) as part of the Scattered Site Acquisition Program that meet the following criteria:
  - a. The purchase price of each property will not exceed \$100,000.
  - b. The Property is a blight on the neighborhood, dilapidated and substandard.
  - c. The cost of correcting the deficiencies on the Property exceeds the value of the Property such that correcting the deficiencies is not reasonable.
  - d. Prior to the acquisition of each property, HRA Staff will conduct appropriate due diligence to protect the HRA’s interests.
2. That Properties acquired for the Scattered Site Acquisition Program meeting the above criteria are hereby declared a blight on the community in that they are obsolete, dilapidated, with faulty arrangement or design, have an obsolete layout, or any combination of these or other factors.
3. That allowing the property to exist in its current condition would be detrimental to the safety, health, morals, or welfare of the community.

4. That HRA Staff shall report the acquisition of property at the next regular Board meeting after a purchase agreement is executed.
5. That the authorization to purchase property pursuant to this resolution shall expire one year from the date of passage, unless extended by Board action.
6. That disposition of the acquired properties at the end of their demonstration period shall be only by action of the HRA Board.

Adopted this the 15th day of July, 2014

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Tim Howe, Chair

Attest:

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Bruce Sanders, Secretary